

Minutes of the New Jersey Health Care Facilities Financing Authority regular Meeting held on October 28, 2021 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

The following ***Authority Members*** were in attendance:

Via telephone: David Brown (Chairing), Vice Chair (Public Member); Robin Ford, Designee of the Department of Health; Manny Paulino, Designee of the Commissioner of Banking and Insurance; Greg Lovell, Designee of the Commissioner of Human Services; Thomas Sullivan (Public Member) and Dr. Kazmir (Public Member)

The following ***Authority staff members*** were in attendance:

Mark Hopkins, Cindy Kline and Chris Kniesler; and, via telephone, Frank Troy, Ron Marmelstein, Bill McLaughlin, Alpa Patel, Jessica Waite and Neetu Thukral

The following ***representatives from the State and/or the public*** were in attendance:

Via telephone, George Loeser, Attorney General's Office; Jamera Sirmans, Governor's Authorities Unit; Erica Holmes, Department of Health; Mark Salimena, Managing Director, Optimal Capital Group, LLC; Mark Sblendorio, Vice President of Legal Services and Carl Alberto, Vice President of Finance, St. Luke's University Health Network

Prior to the start of the meeting, Mr. Hopkins announced that he would be requesting an Executive Session and explained how it would be conducted via conference call.

CALL TO ORDER

Mr. Brown called the meeting to order at 10:05 a.m. and announced that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 27, 2021 Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, notice of this meeting was mailed to *The Star-Ledger*, the *Courier Post*, and provided to numerous other newspapers and media outlets serving New Jersey, early enough to publish an announcement at least 48 hours in advance of this meeting.

1. APPROVAL OF MINUTES September 23, 2021 Authority Meeting

Minutes for the Authority's September 23, 2021 Meeting were distributed for review and approval prior to the meeting. Mr. Brown asked for a motion to approve the minutes. Dr. Kazmir made the motion. Mr. Lovell seconded. Mr. Brown asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown called for a vote. All Members voted in the affirmative and the minutes were approved.

2. BOND SALE REPORT

RWJBarnabas Health

Mr. Brown called upon Director of Project Management Bill McLaughlin to give a report on the RWJBarnabas Health bond sale to the Members.

Mr. McLaughlin reported that on September 21, 2021, the Authority staff and the senior managing underwriter, Citigroup Global Markets, priced the \$751,845,000 publicly issued tax-exempt Series 2021A bond financing on behalf of RWJBarnabas Health. The bonds were rated AA- by Standard & Poor's and Aa3 by Moody's.

According to Mr. McLaughlin, the proceeds will be used to: (1) finance and/or reimburse RWJBarnabas Health for the costs of planning, development, acquisition, construction, equipping, expansion, furnishing and renovation of one or more of the following capital projects: a) construction of a new 515,000 square foot, eleven story addition to the Rutgers Cancer Institute of New Jersey Pavilion ("CINJ Pavilion"), b) purchase of land in New Brunswick, NJ, on which the CINJ Pavilion will be constructed, c) Renovation and upgrading of the kitchen at Clara Maas Medical Center, d) construction of new rooftop and renovations of the Emergency Department at Community Medical Center, e) multiple projects at Jersey City Medical Center including but not limited to renovations of the Emergency Department and Antenatal Testing Unit, f) acquisition of land and design of a cancer and ambulatory center at Monmouth Medical Center – Fort Monmouth campus, g) renovations of the HVAC system at Monmouth Medical Center – Southern Campus, h) renovation of the Emergency Department, catheterization lab, and kitchen at Newark Beth Israel Medical Center, i) multiple projects at Robert Wood Johnson University Hospital in New Brunswick including but not limited to renovations to the Surgical Suite, construction of a new ICU trauma unit, and structural deck repairs, j) expansion of the catheterization lab, same-day surgery at Robert Wood Johnson University Hospital Somerset Campus, k) renovations of the Emergency Department at Saint Barnabas Medical Center; (2) acquire and install various items of capital equipment at one or more project locations; and (3) pay all or a portion of the costs of the issuance and sale of the tax-exempt obligations.

Mr. McLaughlin told the Members that the transaction was structured with fixed rate serial bonds maturing from 2022 to 2045 and a tri-furcated fixed rate term bond maturing in 2051.

Mr. McLaughlin then explained that the order period began with the following priority of orders: New Jersey Individual Retail; National Individual Retail; Net Designated; and Member. At the conclusion of the order period, the underwriting team had received orders totaling over \$2 billion from 56 unique investors. This oversubscription led to the underwriting team adjusting the yields downward throughout the structure, resulting in a decrease in the all-in-total interest cost from 2.74% to 2.73%. At that point, Citigroup Global Markets made an offer to underwrite the bonds at the new levels and the Authority staff gave the verbal award. Yields on the Series 2021 serial bonds ranged from .06% for the 2022 maturity to 1.94% for the 2045 maturity. Yields for the fixed rate term bond are as follows: for the 2.625% coupon term bond maturing on July 1, 2051, a yield to call of 2.625%; for the 3.000% coupon term bond maturing on July 1, 2051, a yield to call of 2.40%; and for the 4.00% coupon term bond maturing on July 1, 2051, a yield to call of 2.04%.

Mr. McLaughlin concluded by telling the Members that this transaction closed on September 30, 2021 and that they could find more details in the Bond Pricing Summary included in their meeting materials.

Mr. McLaughlin offered to answer any questions from the Members. There were no questions.

Mr. Brown reminded the Members that this presentation was for informational purposes only and that no action was required by the Members.

3. EXTENSION OF PROGRAM ADMINISTRATOR FOR THE CAPITAL ASSET PROGRAM Optimal Capital Group, LLC.

Mr. Brown asked Account Administrator Jessica Waite to present the reasons for the contract extension to the Members.

Ms. Lucas began by introducing Mark Salimena, Managing Director of Optimal Capital Group, LLC who was participating by telephone.

Ms. Waite reminded the Members that, in October 2017, the Authority entered into a contract with Optimal Capital Group, as program administrator for the Capital Asset Program, Series A&B. The original contract was for a three-year period, with the right to extend the terms of the contract for three additional one-year periods. In October of last year, the Members approved the first one-year extension of the contract.

According to Ms. Waite, Optimal Capital Group again has agreed to another extension, with the same terms and an annual cost of \$12,000.

Ms. Waite concluded by saying that the Authority staff recommends the Board's consideration of appointing Optimal Capital Group for the second one-year extension which would be effective from December 1, 2021 through November 30, 2022.

Ms. Waite then said that she or Mark Salimena would answer any questions the members might have.

Mr. Brown asked for a motion to adopt the resolution to approve the second of three (3) possible one-year extensions of the contract with Optimal Capital Group, LLC to serve as the Program Administrator of the Capital Asset Program. Dr. Kazmir made the motion. Ms. Ford seconded. Mr. Brown asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown then called for a vote on the motion. All members voted in the affirmative and the motion passed.

AB RESOLUTION NO. VV-23

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the second of three (3) possible one-year extensions of the contract with Optimal Capital Group, LLC to serve as the Program Administrator of the Capital Asset Program.

4. CAPTIVE INSURANCE UNQUALIFIED AUDIT OPINION WAIVER St. Luke's University Health Network

Mr. Brown called upon Neetu Thukral, the Authority's Compliance Manager and Tax Compliance Officer, to present the request for a captive insurance unqualified audit opinion waiver by St. Luke's University Hospital to the Members.

Ms. Thukral began by introducing Mark Sblendorio, Vice President of Legal Services and Carl Alberto, Vice President of Finance for St. Luke's University Health Network.

Ms. Thukral reminded the Members that, in May 2015, the Financial Accounting Standards Board ("FASB") issued a new standard, the Accounting Standards Update (ASU) 2015-09. The ASU 2015-09 would require St. Luke's Health Network Insurance Company, a Reciprocal Risk Retention Group (the "RRRG" or "Captive") domiciled in Vermont, to disclose in the footnotes to its financial statements the reserves and claims for specific years rather than in total as it has done historically. Counsel for St. Luke's University Health Network believes this information would prejudice the Captive (RRRG) during claim negotiations with plaintiffs. The expanded footnote disclosures are required beginning with the fiscal period ending December 31, 2017. Ms. Thukral noted that omitting this disclosure does not affect the underlying financial statements.

Ms. Thukral further noted that, in 2016, the FASB issued the Accounting Standards Update 2016-01, Financial Instruments - Overall ("ASU 2016-01"). The use of accrual-based accounting and the reciprocal nature of the Captive (RRRG) pose some unique challenges in adopting ASU 2016-01. As a reciprocal group, net income (including investment income) and losses are allocated back to each member's subscriber savings account. Therefore, the Captive (RRRG) could find itself in a circumstance in which it is allocating income and paying distributions based upon unrealized gains which may never be fully realized in cash. The ASU 2016-01 was to be adopted beginning with the fiscal period ending December 31, 2019.

According to Ms. Thukral, the Captive (RRRG) requested and the Vermont Department of Financial Regulation (the "DFR"), the regulatory body charged with oversight of the Captive, granted permitted practices (waivers) to exclude the new disclosures required by the provisions of ASU 2015-09 and adoption of ASU 2016-01. Ms. Thukral then told the Members that the aforementioned permitted practice requests and approvals can be found in their meeting materials as Exhibit A.

Ms. Thukral explained to the members that, even though it is permitted by the Captive's domicile, not adopting the above-mentioned accounting standards require their independent

auditor, Crowe LLP to issue a qualified opinion. The form of this opinion, she said, is Exhibit B in their meeting packets. Pursuant to Section 6.11 of the Series 2013 Loan Agreement, the Hospital is required to deliver evidence that the self-insurance or captive insurance program has been audited by a nationally recognized independent firm of public accountants and has received an unqualified opinion (the form of which opinion shall not be unacceptable to the Authority). Therefore a waiver is being requested so that a qualified opinion will not deem the Captive noncompliant with respect to the 2020 Audit. A copy of the waiver was included in the Members' board packet. Ms. Thukral pointed out that the Authority has not received any other requests for such waivers from any other borrowers to date.

Ms. Thukral concluded by stating that St. Luke's Health Networks' audit will remain unqualified and that it is only the Captive (RRG) that has received the qualified opinion. Furthermore, the Attorney General's office has reviewed the waiver request and has no objection to the Members' consideration of this matter.

Mr. Brown asked for a motion to adopt the resolution approving the captive insurance audit waiver for St. Luke's University Hospital. Dr. Kazmir made the motion. Mr. Sullivan seconded. Mr. Brown asked if there were any questions on the motion. There were no questions or comments. Mr. Brown then called for a vote. All Members voted in the affirmative and the motion passed.

AB RESOLUTION NO. VV-24

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby authorizes approving the captive insurance audit waiver for St. Luke's University Hospital; and,

BE IT FURTHER RESOLVED, that the Executive Director is authorized to execute said document and take any related actions necessary to effectuate the waiver.

5. AUTHORITY EXPENSES

Mr. Brown referenced a summary of Authority expenses and invoices provided to the Members. Dr. Kazmir made the motion to approve the expenses. Mr. Sullivan seconded. Mr. Brown asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown then called for a vote. All Members voted in the affirmative. The resolution was approved to approve the bills and to authorize their payment.

AB RESOLUTION NO. VV-25

WHEREAS, the Members of the Authority have reviewed the memoranda dated October 20, 2021 summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and general operating expenses in the amounts of \$37,092.50 and \$1,017.99 respectively, and have found such expenses to be appropriate;

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby approve all expenses as submitted, and authorize the execution of checks representing the payment thereof.

6. STAFF REPORTS

Mr. Brown thanked staff for the Project Development Summary, Cash Reconciliation Report, Third Quarter Budget Report and Legislative Update.

Mr. Brown asked Executive Director Hopkins to present his Executive Director's report.

Mr. Hopkins reported the following:

1. Mr. Hopkins reminded the Authority Members that, in accordance with Executive Order #41 (Codey 2005) they must complete online ethics training from the State Ethics Commission by November 22nd. The training is offered at www.nj.gov/ethics/training. Go to the link "Online Training Modules" and choose "Special State Officer Training Module." Once completed they must enter their name and select NJHCFFA from the pull down menu of agencies. Members will receive an e-mail confirming their completion of the training. Mr. Hopkins requested that the Members forward the email to him so that he can report it to the Governor's Authorities Unit. Mr. Hopkins also mentioned that, for the state employees, the training they received at their respective departments is acceptable and that they should forward their confirming emails to him as well.
2. Finance Committee Members: Dr. Kazmir, Mr. Brown and Commissioner Sullivan, are reminded that there will be a telephonic Finance Committee meeting on Wednesday, November 10th at 10:00 a.m. to review and discuss the Authority's proposed 2022 budget.
3. The Village Drive Healthcare Urban Renewal project financed by the Authority to construct a low and moderate income assisted living facility in Millville continues to inch ever closer to completion. Originally slated to open in November of 2019, the project was stymied by contractor delays and disputes, followed by the pandemic, and subsequently some material delays. Inspections required several additional items, including site work to build a crushed stone road bed to access a fire hydrant, installation of a battery backup system for emergency lights, and an HVAC electrical circuit study report. These are all expected to be completed by the end of this week. The final plumbing inspection was

scheduled for last week and the Building Inspector will review the items above once they are completed. It is hoped that a Certificate of Occupancy can be obtained in the next two weeks.

4. Deputy Commissioner of Health Marcela Maziarz will be stepping down November 1st after more than three years at the Department to take the position of Vice President of Community and Government Affairs at Thomas Edison State University. Robin Ford will be promoted to Deputy Commissioner and Erica Holmes will replace Robin as Executive Director of Health Care Financing. Mr. Hopkins congratulated Marcela, Robin and Erica on their new positions. Mr. Hopkins said that he could not imagine a better selection for Deputy Commissioner than Robin Ford.

5. Coronavirus News

- a. There has been a significant decrease of people hospitalized in New Jersey from COVID-19 from 1,152 on September 21st to 792 on October 26th, which is far below the peak of 8,270 on April 14, 2020. The rate of transmission in New Jersey has decreased to 0.83 from last month's reported 1.06. Since the first case on March 4, 2020, 1,037,478 New Jersey residents have tested positive for COVID-19 with another 155,723 probable. 27,929 people have died of confirmed or probable COVID-19. Nationally, according to the New York Times, as of October 26, 2021 there have been 45,616,284 cases and 739,259 deaths from COVID-19 and an average of 52,713 people were hospitalized over the previous 14 days. In New Jersey 12,326,747 vaccines have been administered, providing 75% of the entire population with at least one dose of the vaccine. 6,034,482 are fully vaccinated or 66% of the entire population, including 77% of those 12 and over and 88% of those 65 and over. In the United States, about 220.6 million people have received at least one dose of the vaccines, including 190.8 million, or 57%, who have been fully vaccinated.
- b. On October 18th, the Secretary of U.S. Health and Human Services Xavier Becerra renewed the public health emergency over the COVID-19 pandemic for the seventh time since the original declaration on January 31, 2020. The renewal means the emergency declaration will remain in effect for at least another 90 days.
- c. The Food & Drug Administration (FDA) has approved booster shots for both the Moderna and Johnson & Johnson COVID-19 vaccines. Like the previously approved booster for the Pfizer vaccine, the Moderna is approved for those 65 and over and those with health issues, jobs or living conditions that make them at higher risk for COVID-19. The Moderna booster is half the dosage of the original Moderna vaccine and is for those who received their last dose of Moderna at least six months ago. The Johnson & Johnson booster may be given to anyone over 18 who received their vaccine more than two months ago, regardless of risk after an FDA panel found that one dose of the Johnson & Johnson vaccine left recipients more vulnerable to infection. The FDA also said people could get booster shots

from different manufacturers than their original vaccine. Experts are hopeful that the boosters could improve the chances of herd immunity.

- d. The FDA advisory panel recommended approving a reduced dose of the Pfizer vaccine for children 5 to 11, which a study showed was 93% effective against hospitalization from COVID-19 in that age group. The FDA is expected to consider and rule on that recommendation shortly. New Jersey is ramping up efforts to make the vaccine available to children ages 5 to 11. Moderna has submitted data on trials of a reduced dose of its COVID-19 vaccine for 6- to 11-year-old children.
- e. Nearly 250 workers at the RWJBarnabas Health System and Virtua Health have been terminated or resigned for failing to get vaccinated against COVID-19 or provide an acceptable medical or religious exemption. It represents about 1% of each organization's workforce. The deadline for workers to be vaccinated at New Jersey's second largest health system, Hackensack Meridian Health, is November 15th, where reportedly 99% of its workers have already been vaccinated.
- f. Two dozen judiciary and education workers have filed suit against Governor Murphy and New Jersey Supreme Court Chief Justice Stuart Rabner and other government officials and agencies challenging that all State employees and school workers must provide proof of vaccination or submit to weekly testing.
- g. The recent death from complications of COVID-19 of former Secretary of State and Chairman of the Joint Chiefs of Staff Colin Powell has put a spotlight on breakthrough cases of COVID-19. Secretary Powell was 84 and fully vaccinated, but had multiple myeloma, a blood cancer that has been shown to diminish the effectiveness of the vaccine.

6. New Jersey Hospital News

- a. Healthgrades ranked Atlantic Health System's Morristown Medical Center and Overlook Medical Center among the top 50 hospitals in the country. It also ranked Valley Hospital and Hackensack Meridian Health's Jersey Shore University Hospital among the top 250 hospitals in the country.
- b. The American Hospital Association and the Association of American Medical Colleges filed an amicus brief supporting the Hackensack Meridian Health merger with Englewood Health in response to the Federal Trade Commission's (FTC) suit to stop the merger, arguing the FTC reasoning is based on an error in defining the geographic market based on law and economic principles.
- c. Stephen Klasko, M.D. will retire as CEO of Jefferson Health at the end of the year. Jefferson Health owns hospitals in Cherry Hill, Stratford and Washington Township, New Jersey in addition to 15 in Philadelphia and elsewhere in southeastern Pennsylvania. Under Dr. Klasko's leadership since 2013, Jefferson

Health grew from three hospitals to 18, merged with Philadelphia University and is in the process of acquiring the HealthPartners Plans health insurer. Former Jefferson Health Board Trustee H. Richard Haverstick will serve as interim CEO beginning January 1, 2022.

- d. Robert Wood Johnson University Hospital has named Alan Lee as Chief Operating Officer. Mr. Lee had previously served in several senior leadership positions at New York-Presbyterian.
- e. CarePoint Health announced that it plans to convert to a nonprofit. The system consists of the operating entities of Bayonne Medical Center, Christ Hospital and Hoboken University Medical Center, each of which are seeking a purchaser or have entered into an agreement to be sold. The land and property occupied by each of their hospitals are held by separate LLCs and the sales process has been complicated by disputes between the operating companies and the property owners of Bayonne and Hoboken on to whom to sell the hospital operating companies. Several articles are included on the transition to nonprofit, highlighting that it is subject to regulatory approvals and is questioned by the land owner of Bayonne, who is seeking to transfer the property to its commonly-owned affiliate Hudson Regional Hospital.
- f. Hackensack Meridian Health has renamed three hospitals: (i) Hackensack Meridian Raritan Bay Medical Center Old Bridge will be named Hackensack Meridian Old Bridge Medical Center; (ii) Hackensack Meridian Raritan Bay Medical Center Perth Amboy will be renamed Hackensack Meridian Raritan Bay Medical Center; and (iii) Ocean Medical Center in Brick will be renamed Ocean University Medical Center.
- g. RWJBarnabas Health is renaming Saint Barnabas Medical Center in Livingston the Cooperman Barnabas Medical Center in recognition of a \$100 million donation from the Cooperman Family Foundation. Leon and Toby Cooperman are long-time residents of Short Hills and have a long philanthropic history, including numerous previous donations to Saint Barnabas. Mr. Cooperman was formerly Chair and CEO of Goldman Sachs Asset Management and later created Omega Advisors, a hedge fund. Mrs. Cooperman was a special education specialist at the Early Childhood Learning Center in Chatham and now serves on the board of several charities and community organizations.
- h. East Orange General Hospital is being sold by the for-profit health care system Prospect Medical Holdings to the for-profit EOH Acquisition Group, led by current hospital CEO Paige Dworak and Englewood resident Ben Klein, who owns more than three dozen behavioral health and substance abuse treatment centers across the United States. The State Health Planning Board has recommended approving the sale, with several conditions. The recommendation now goes to Commissioner of Health, Judith Persichilli, for a final decision. After five years of controversial ownership, Prospect Medical Holdings reportedly

also put up for sale four hospitals making up Crozer Health in Delaware County, Pennsylvania. Prospect has recently denied the Crozer hospitals are for sale.

- i. Deborah Heart and Lung Center has settled a long-standing suit with Virtua Health for an undisclosed amount just after opening arguments had been made. Deborah had filed a civil complaint against Virtua Health in 2009 alleging Virtua conspired to shut down Deborah by ignoring patient requests for transfer to Deborah and telling patients Deborah provided poor care, was understaffed and in jeopardy of closing.
- j. On September 21st, Commissioner Persichilli joined about a dozen officials for the ribbon-cutting of the \$184 million, 7-story, 240,000 square foot expansion of Jefferson Washington Township Hospital. The new tower will feature 90 private patient rooms including family space and 30 private ICU rooms.
- k. Camden County is launching a Health Hub utilizing pop-up hospital pods in the parking lot at the Camden County College in Blackwood. It will be a one-stop shop for all things COVID and health care related according the Camden County Commissioners. It will be open Tuesday nights from 4:00 p.m. to 8:00 p.m. and Thursdays from 9:00 a.m. to 1:00 p.m. The county is operating the Health Hub in partnership with Cooper University Health Care and Rutgers-Camden School of Nursing.
- l. Scientific American published a column by John Horgan, who directs the Center for Science Writings at the Stevens Institute of Technology. It describes Mr. Horgan's three night stay in Hoboken University Medical Center where he was treated for an elbow injury and sepsis. While he had in an earlier column praised the work of the hospital and his orthopedic surgeon, he later learned of exorbitant charges for his treatment: \$287,365, including \$185,037 for the hospital and \$86,969 for the surgeon. The surgeon threatened to balance bill Mr. Horgan for the large amount of the cost of the surgery that was not covered by Medicare or his supplemental insurance provider Cigna. He later learned he was protected against balance billing by the relatively recent out-of-network legislation passed in New Jersey. He also said five additional doctors not directly connected to his case stopped in to talk with him during his three-day stay, all of whom billed his insurance.
- m. In addition to the new Rutgers Cancer Institute of New Jersey building the Authority recently financed, New Brunswick is going to be home to more than 1.1 million square feet of research space for life science innovation and medical education utilizing \$665 million in investments. Rutgers University, Princeton University, Hackensack Meridian Health and RWJBarnabas Health are collaborating with the New Jersey Economic Development Authority and the New Brunswick Development Corp. to create the facilities being collectively named the HUB. The HUB will include a 170,000 square foot building for Rutgers Robert Wood Johnson Medical School, including classrooms, faculty

offices and simulation labs. A second 410,000 square foot facility will house the Rutgers Translational Research Facility providing lab support space for 80 principal investigators and 700 to 800 researchers in life sciences along with the New Jersey Innovation and Technology Hub for private companies looking to grow and commercialize ideas, some of which may come from the Rutgers Translational Research Facility. A third facility totaling approximately 500,000 square feet will house private life sciences companies, including large and small pharmaceutical companies, biotech and medical device companies.

- n. Sarah Adelman, Acting Commissioner of the New Jersey Department of Human Services, announced that the federal government has approved its plans to invest \$634 million over the next three years to bolster efforts to strengthen and expand home and community-based Medicaid services. \$329 million of the program's funding will be provided by the federal government using matching money from the American Rescue Plan.
- o. An NJBiz virtual panel discussion among health care experts concluded that telehealth is here to stay in New Jersey. While COVID hastened the move to telehealth, the panel members agreed it will continue to be incorporated into health treatment plans after COVID is under control.
- p. Other articles on New Jersey hospitals include:
 - i. Atlantic Health System's Morristown Medical Center has announced a \$26.9 million expansion of its emergency department.
 - ii. Hackensack Meridian Health has been making greater use of artificial intelligence and machine learning to improve screening and detection of diseases.
 - iii. Holy Name Medical Center is the first health care system to offer a Hospital at Home program, enabling patients to receive certain hospital services in their home which include two daily nurse visits and remote monitoring and communications.
 - iv. RWJBarnabas Health is among 14 health systems with strong finances in Becker's Hospital Review's October 5th issue.
 - v. A hearing is scheduled for November 19th in Mercer County Court to consider a suit by municipalities against the State claiming the law signed recently by Governor Murphy that re-established property tax exemptions for nonprofit hospitals and implemented a community contribution fee based on beds is unfair.

- vi. New Jersey ranks ninth highest in the country for average annual nursing salaries, at \$89,720. California, Hawaii, Massachusetts, Oregon, Alaska, Washington, New York and Nevada rank first through eighth respectively.
- vii. The New Jersey Hospital Association is launching a year-long series of infection prevention training for all levels of health care.

7. Rating Agency News and Comments

- a. S&P Global Ratings raised its rating on bonds issued by the Authority on behalf of Saint Peter's Healthcare System in 2007 and 2011 from "BB+" to "BBB-." The rating improved based on the multi-year trend of improved operating performance and cash flow generation. The outlook is "Positive" reflecting the expectation that the rating could be raised if Saint Peter's affiliation with RWJBarnabas Health is consummated.
- b. Moody's Investor Services issued a Sector Comment on Not-For-Profit and Public Healthcare expressing concern over the labor shortage straining profitability. Moody's also issued a Sector Profile about how the pandemic has hit academic medical centers harder than other hospitals.

8. National Health Care News

- a. Kaufman Hall warns that hospital finances, negatively impacted by COVID-19, are not out of the woods yet. While August financials show margins have improved from 2020, they are still below those of 2019.
- b. A study by Kaufman Hall commissioned by the American Hospital Association indicated that hospital mergers and acquisitions total revenues dropped slightly but the average seller revenue base of \$659 million was well above year-to-date values going back to 2015.
- c. Becker's Hospital Review published an article on what hospital executives should know about the FTC stance on health care mergers.
- d. The American Hospital Association is criticizing the recently released social responsibility rankings of the Lown Institute, claiming it used "old and incomplete data" and reached "sweeping and arbitrary conclusions."
- e. 256 hospitals have been warned that they have violated the Center for Medicare and Medicaid Services' price transparency rule that went into effect on January 1, 2021. The hospitals have 90 days from notification to address the violation or be subject to further action, including possible fines.
- f. Former Commissioner of Health and current CEO of University Hospital, Dr. Shereef Elnahal is the lead author of an article in the Harvard Business Review

entitled “How U.S. Health Systems Can Build Capacity to Handle Demand Surges.”

- g. Additional articles were provided to Authority Members yesterday on HMFA’s Workforce of the Future and Kaufman Hall’s 2021 State of Healthcare Performance Improvement and how COVID is creating a challenging environment.

9. Bond and Tax Legislation and Regulatory News

- a. With the reconciliation infrastructure bill being significantly reduced and nearing the point of passage or failure, municipal bond lobbyists are still hoping they will include reinstatement of advance refundings, modernization of bank qualified bonds and a Build America type taxable bond partially paid by the federal government.
- b. While having some success as co-manager on municipal bonds, minority and women-owned broker-dealer firms continue having difficulty becoming senior managing underwriters.
- c. Proposed federal legislation requiring the use of the Secured Overnight Financing Rate (SOFR) plus a set spread as the common alternative rate to LIBOR, which is being phased out on June 30, 2023, would help reduce disruption to the U.S. structured finance market according to Fitch Ratings.
- d. Municipal Securities Rule Board (MSRB) CEO Mark Kim believes environmental, social and governance factors will become increasingly important to municipal securities investors and that will likely affect the disclosures required for municipal bonds, as they will be considered material information.
- e. The MSRB is requesting comment on two draft compliance resources for broker-dealers and municipal advisors regarding pricing new issues of municipal bonds. Comments are due by January 4, 2022.
- f. Merrill Lynch has settled a charge that it violated supervisory and fair dealing rules of the MSRB, the Exchange Act Rule 15c3-3(d)(4) and FINRA Rule 2010 for \$1.5 million.
- g. In a comment in The Bond Buyer, James McIntyre argues that blockchain and smart contract technology should be used by the municipal securities markets to make information and transactions more standardized and therefore more efficient and transparent.
- h. Our sister agency, the New Jersey Educational Facilities Authority, worked with Princeton University and financial Advisor PFM to bring a \$430 million municipal financing to market with a minority business enterprise, Ramirez Asset

Management, as a subadvisor on the proceeds of Princeton University Series 2021B and 2021C bonds. Ramirez will invest and manage the bond proceeds for those two series of bonds. Ramirez's head of marketing cited studies that minority-, women- and veteran-owned firms manage less than 2% of the \$15 to \$17 trillion of assets available for management.

10. Authority News

- a. The Authority's Human Resources Manager Robin Piotrowski will be celebrating her 20th anniversary at the Authority on November 5th and our Accountant, Ellen Lieber, will celebrate her 10th anniversary at the Authority on October 31st. Mr. Hopkins offered his congratulations Robin and Ellen.

Mr. Brown added his congratulations.

7. EXECUTIVE SESSION

Mr. Brown asked for a motion to go into Executive Session to a discuss personnel matter. Mr. Brown announced that the results of the discussion would be made public when the need for confidentiality no longer existed.

Dr. Kazmir offered the motion. Mr. Lovell seconded the motion. Mr. Brown asked if the Members had any questions on the motion. There were no questions. Mr. Brown called for a vote. All Members voted in the affirmative and the resolution was approved.

The Members entered into Executive Session at 10:46 a.m.

AB RESOLUTION NO. VV-26

NOW, THEREFORE, BE IT RESOLVED, that, as permitted by the Open Public Meetings Act and the Authority's By-laws, the Authority meet in Executive Session to discuss a personnel matter;

BE IT FURTHER RESOLVED, that the results of discussions may be made known at such time as the need for confidentiality no longer exists.

The Members returned to Public Session at 11:01 a.m.

8. RESOLUTION APPROVING THE PERSONNEL MATTER DISCUSSED IN EXECUTIVE SESSION

Mr. Brown referenced the personnel discussion in Executive Session and asked for a motion to approve the matter. Dr. Kazmir made the motion. Ms. Sullivan seconded. Mr. Brown asked if there were any questions on the motion. There were no questions or comments. Mr. Brown then called for a vote. All Members voted in the affirmative and the motion was approved.

AB RESOLUTION NO. VV-27

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the personnel matter discussed in Executive Session; and

BE IT FURTHER RESOLVED, that the Executive Director is authorized to take such actions necessary to accomplish said matter.

As there was no further business, Mr. Brown asked for a motion to adjourn. Dr. Kazmir made the motion and Ms. Ford seconded. All Members voted in the affirmative. The meeting was adjourned at 11:04 a.m.

I HEREBY CERTIFY THAT THE FOREGOING IS A TRUE COPY OF MINUTES OF THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY MEETING HELD ON OCTOBER 28, 2021.

Cindy Kline, Assistant Secretary